

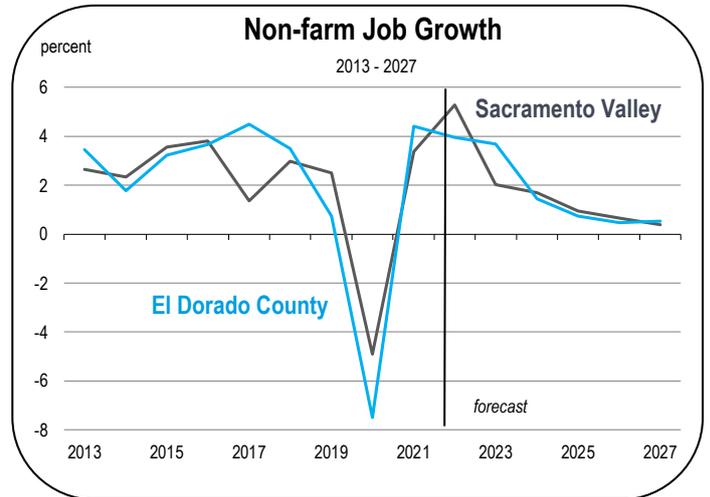
El Dorado County Economic Forecast

Forecast Summary

- Just over 2,300 non-farm jobs were restored in El Dorado County during 2021. During 2022, the county's labor market will add another 2,200 jobs to total employment.
- Employment gains in 2022 will be largest in leisure and hospitality services, which will recover 1,100 jobs.
- Nearly 700 jobs will also be re-gained or created in professional business services, and healthcare. The public sector will restore 250 jobs, mostly in K-12 education.
- The unemployment rate averaged 5.7 percent in 2021. It is expected to average 3.0 percent in 2022.
- Population growth will exceed the region-wide average over the forecast period.
- A new development surge is now underway in the county, and more homes will be built over the next 5 years than were built during the previous five years.
- Home prices increased 20 percent in 2021. Home sales also surged as professionals with work-from-home jobs relocated to El Dorado Hills and South Lake Tahoe in 2020 and 2021.

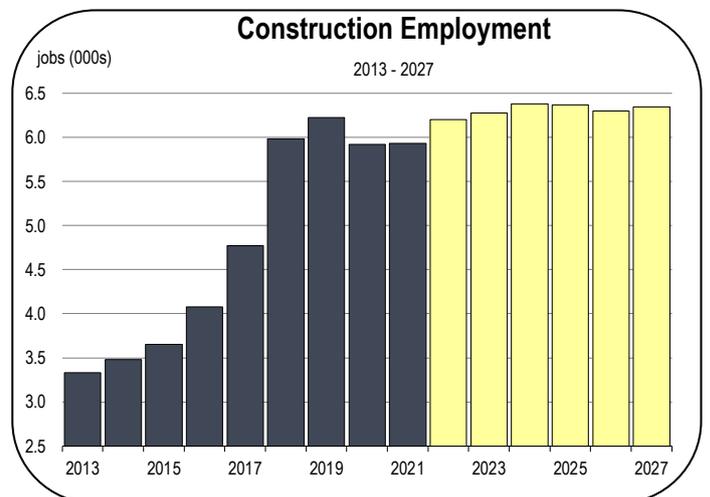
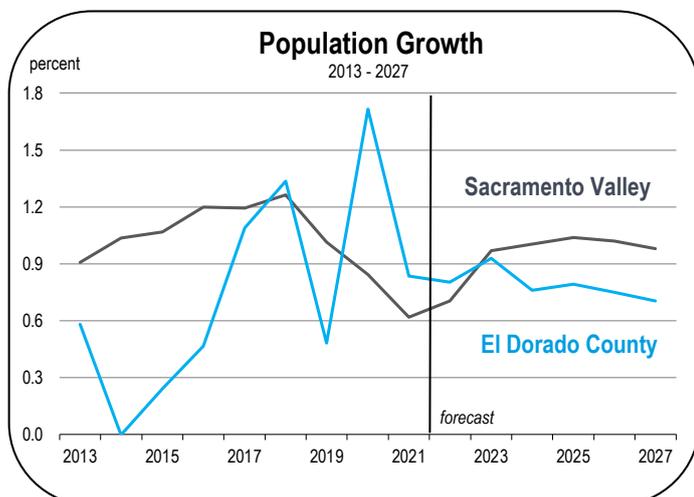
Job Growth

- Total employment in El Dorado County will rise 3.9 percent in 2022 and 3.7 percent in 2023.
- Between 2022 and 2027, job growth will average 1.2 percent per year.

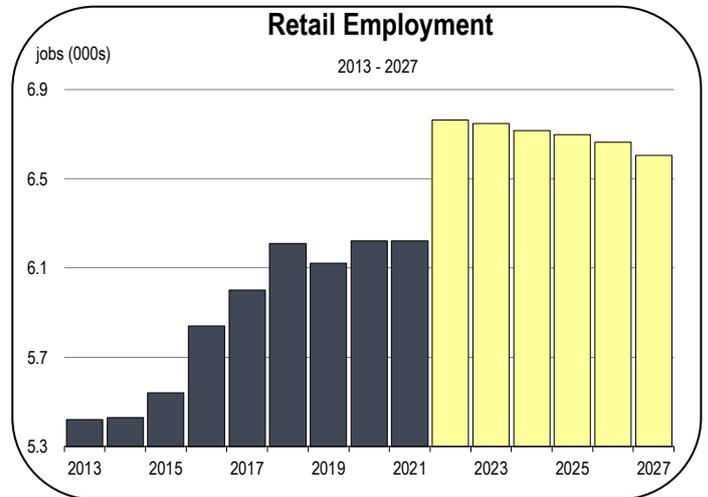
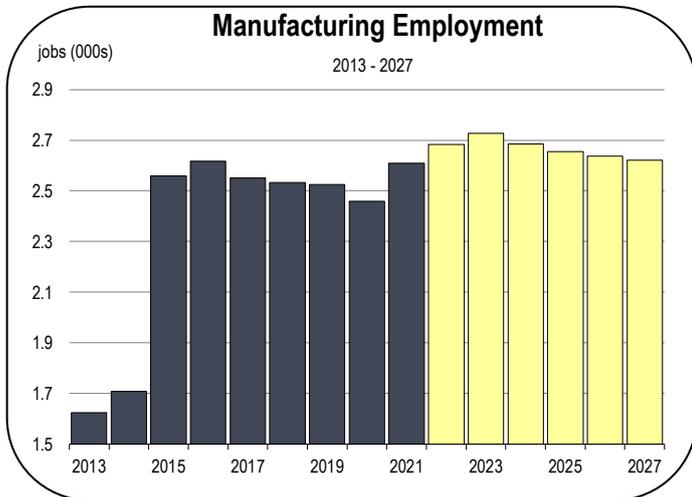


Construction Employment

- New development projects have ramped up in recent years leading to a surge in construction jobs.
- 280 homes are being built in the Bass Lake Hills specific plan. Sugar Pine Village in South Lake Tahoe is also underway and will deliver 248 affordable units in 2023.
- Employment in construction is forecast to rise through at least 2024 and remain in demand throughout the forecast.



El Dorado County Economic Forecast



Manufacturing Employment

- Total employment in the manufacturing industry has remained relatively constant over the last 5 years, and the forecast over the next 5 years does not deviate from this trend.
- The industry is diverse ranging from electronics, aerospace, prototype, and assembly to food processing.

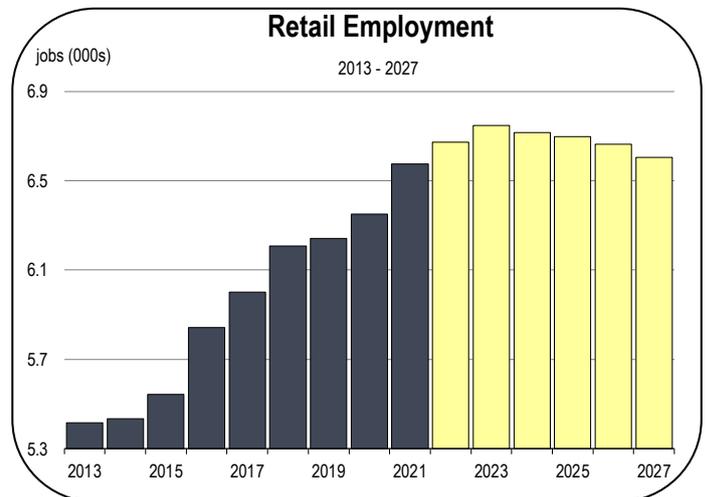
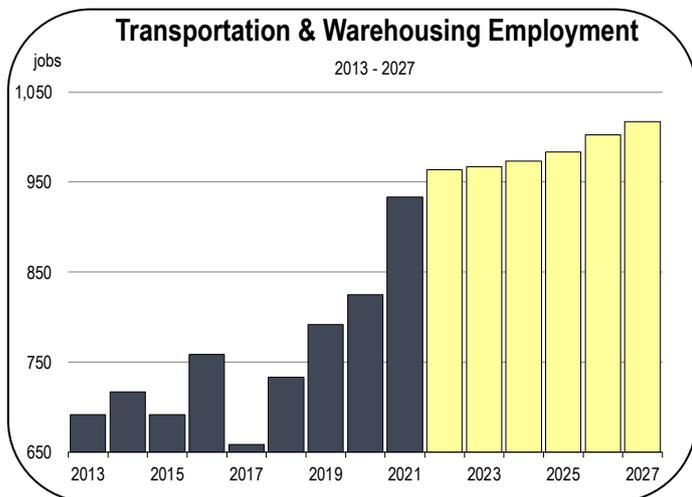
- Employment increased by 100 jobs in 2021 and another 100 in 2022. The outlook calls for continued job growth in the industry in tandem with other Sacramento area counties.

Transportation and Warehousing Employment

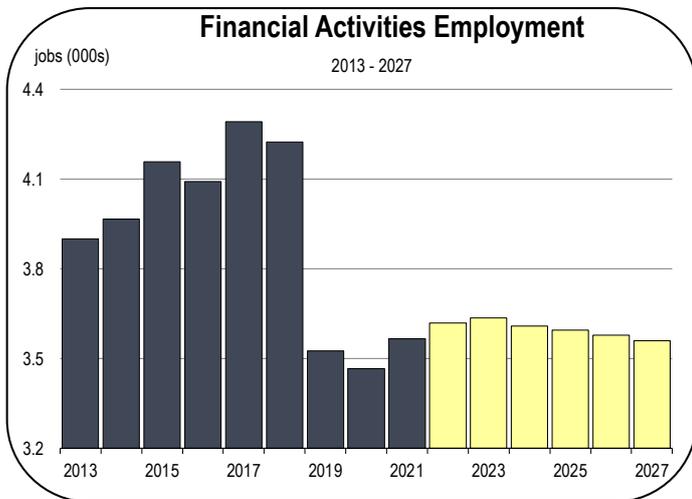
- Most transportation jobs in El Dorado County are in trucking and warehousing, where firms deliver goods to and from businesses and store these goods in logistics facilities.
- Delivery firms and warehousing comprise the principal activity and employment in this sector.

Retail Trade Employment

- Approximately a third of all retail jobs are in grocery stores. Another third are in big-box department stores, home improvement stores, car dealers, and gas stations.
- Unlike other counties, retail sector jobs are expected to increase over the next 3 years, because of (1) increasing growth of the visitor industry in South Lake Tahoe, and (2) new development of residential communities which will be supported by retail shops, grocery stores, and other merchandise outlets.

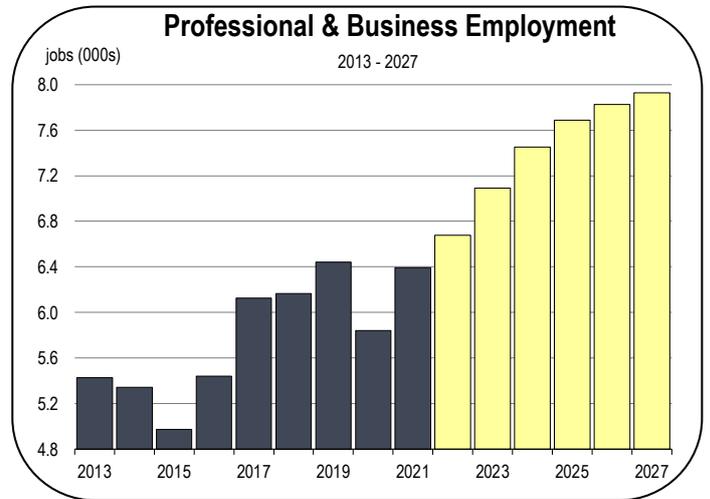


El Dorado County Economic Forecast



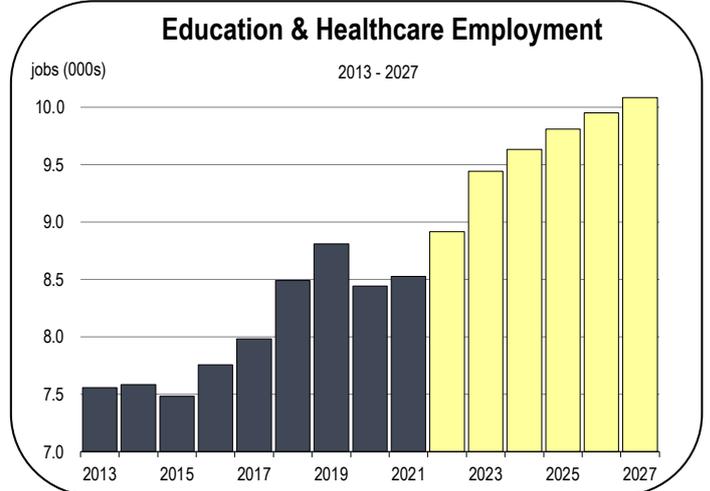
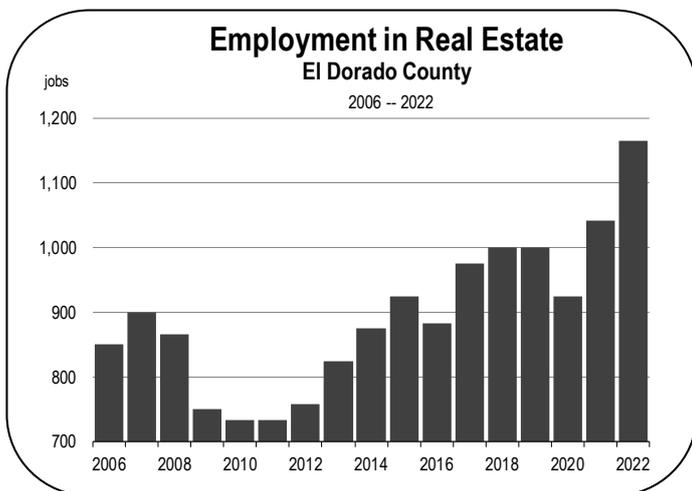
Financial Activities Employment

- The Blue Shield office in El Dorado Hills accounts for half of all jobs in the financial activities sector. Blue Shield is also El Dorado County’s largest private employer.
- Even before the onset of the Coronavirus Recession, financial activities employment was declining due to reductions at insurance firms.
- Aside from insurance as a major subsector of financial activities in El Dorado County, employment in real estate sales, rental and leasing has increased sharply over the last 2 years. This has generally been indicative of the entire Sacramento Valley region because of the recent surge in new in-migrating residents seeking more affordable housing.

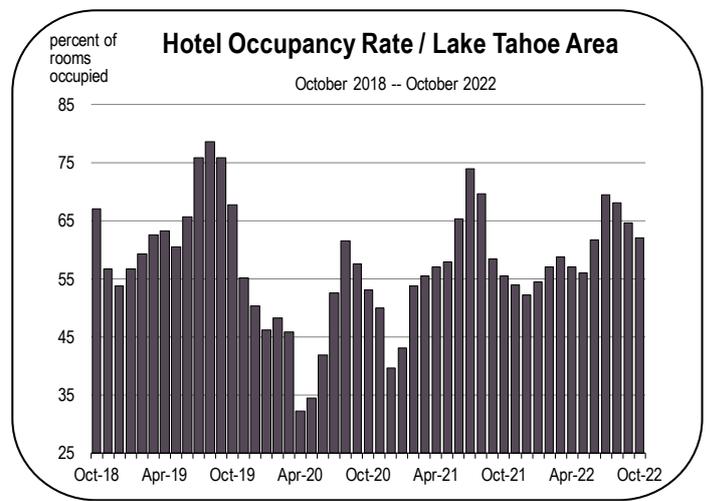
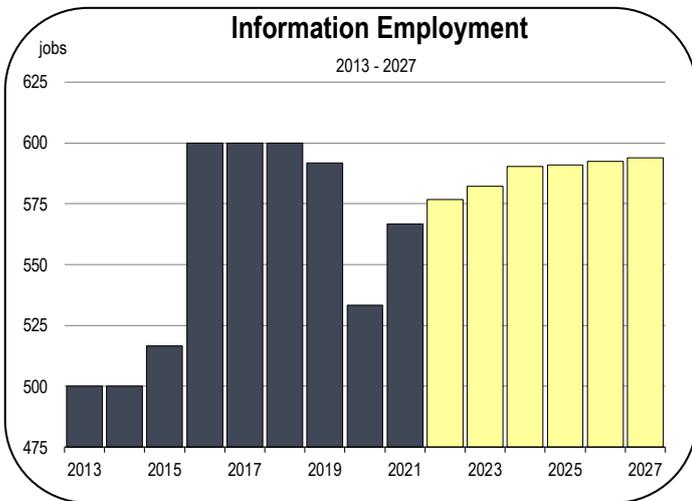


Professional and Business Services and Healthcare Employment

- Professional business services address the demands of an expanding population, and healthcare addresses the demands of an aging population. Currently, 24 percent of the population is aged 65 or over. It will rise to 28 percent by 2030.
- Healthcare is tied with leisure and hospitality as the largest private sector employer. The largest healthcare provider is Barton Memorial Hospital in South Lake Tahoe with over 600 employees on staff.
- The forecast for healthcare employment remains auspicious over the next 5 years, calling for an increase of 1,500 jobs by 2027. Jobs in professional business services will also rise steadily over the forecast, adding 1,200 jobs by 2027.
- The fastest growing subsector of professional services is administrative support, which accounts for 57 percent of all jobs in the broader sector.



El Dorado County Economic Forecast



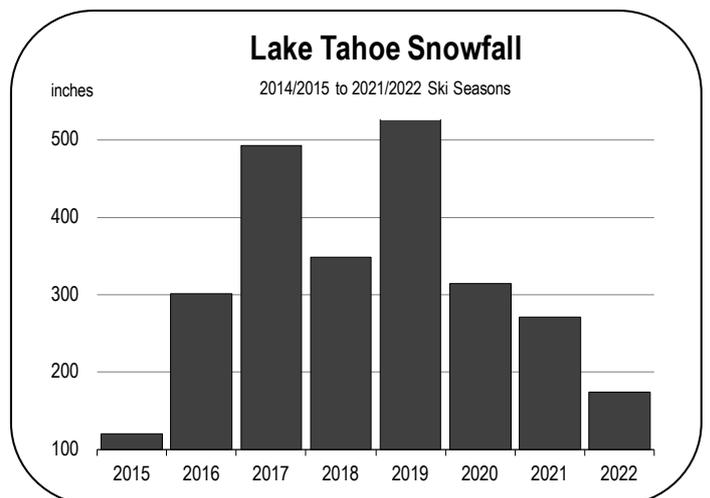
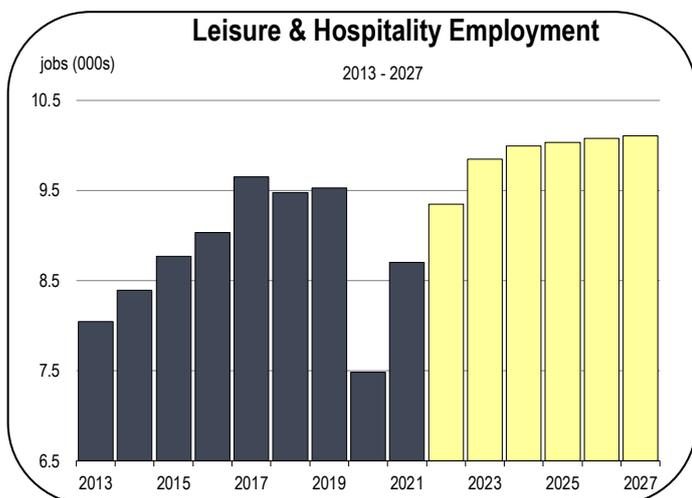
Information Employment

- In El Dorado County, the information sector is largely comprised of telecommunications companies like Comcast, software publishers, local newspapers, and data/Internet services.
- Software publishing and data/Internet services are expected to generate new jobs over the forecast period, but declines are anticipated in most other subsectors.
- Due to these countervailing forces, few jobs are forecast for the information sector over the foreseeable future. The forecast calls for a relatively stable employment base in information over time.

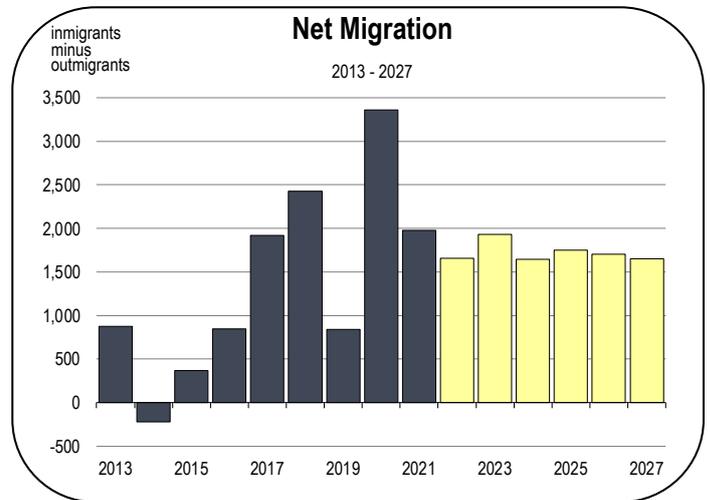
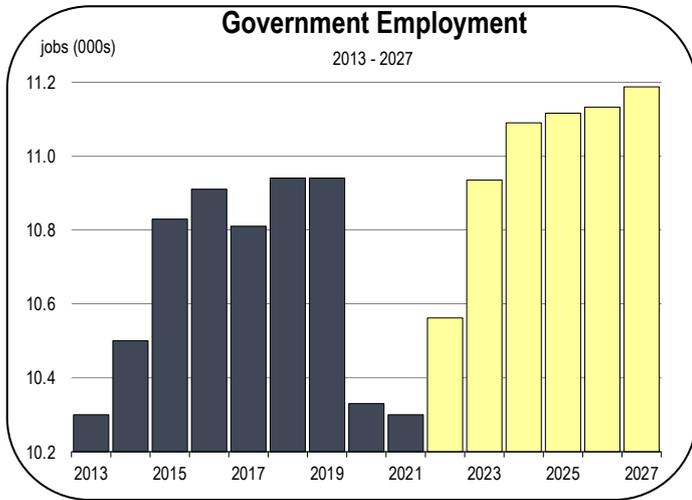
Leisure and Hospitality Employment

- Leisure, hospitality and recreation accounts for 16 percent of all non-farming jobs in the county. In the broader metro labor market which include Sacramento, Yolo, and Placer Counties, it accounts for less than 10 percent of all jobs.

- South Lake Tahoe is the principal commerce area of El Dorado County and the area will remain a major winter and summer destination for California visitors.
- The industry was ravaged by the pandemic shutdowns, but by the end of 2022, will have fully recovered all impacted jobs.
- Despite lower snowfall totals, the 2021 and 2022 winter seasons were prolific, tourism activity rebounded in 2021 and was up sharply in 2022. Hotel occupancy rates had fully recovered by the summer of 2021.
- The historic Camp Richardson Hotel is a major employer in the County, along with the Marriott Timber Lodge / Grand Residences and the Beach Retreat and Lodge. The latter facility is one of the largest in South Lake Tahoe with 261 lakefront rooms.



El Dorado County Economic Forecast

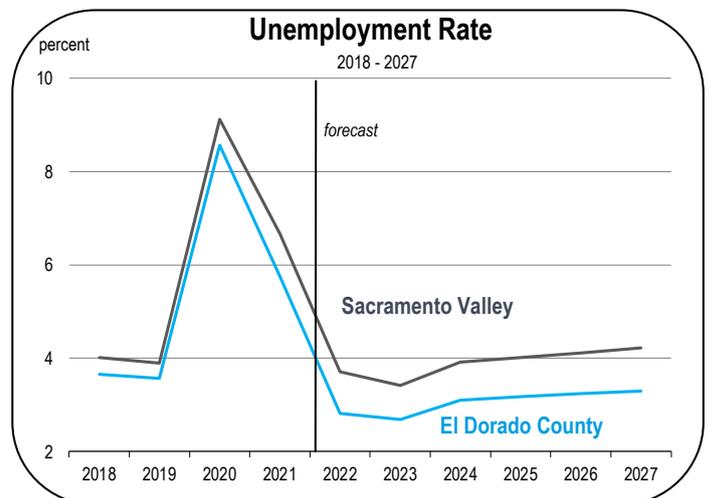
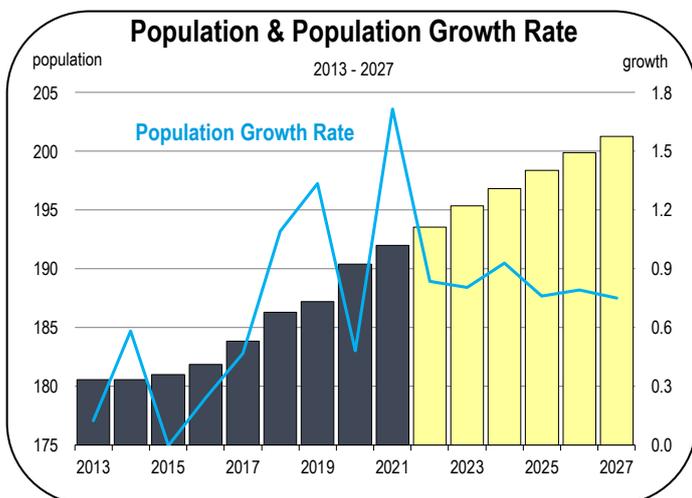


Government Employment

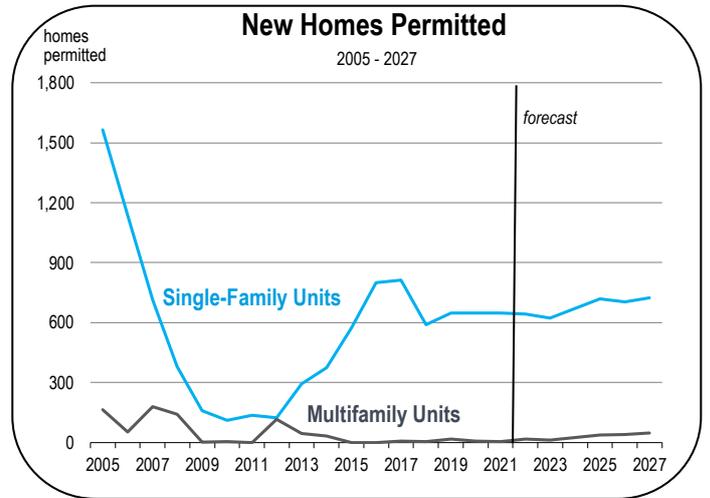
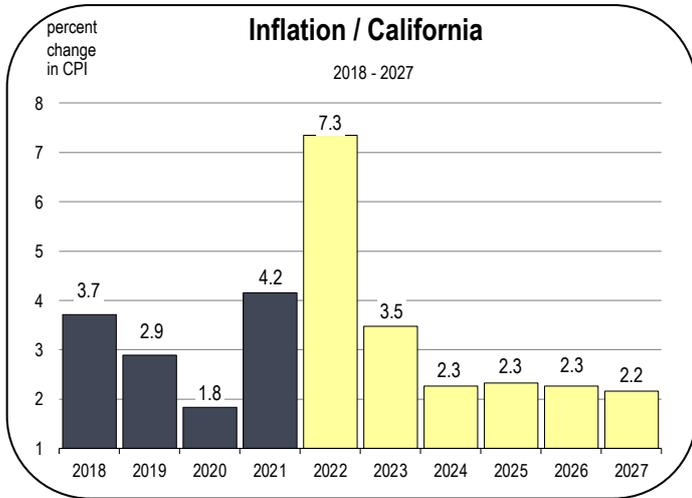
- State and local government departments including the schools were adversely impacted by the pandemic. Recovery since 2020 has been gradual.
- Full restoration of public sector employment will be complete by the end of 2022. The surge in K-12 enrollment since 2020 has maintained a strong demand for teachers and staff within the local schools.
- The public sector is forecast to add employment over the next 5 years, in tandem with a rising population and more new development in the county.

Population Growth

- The growth of population in the county is entirely attributable to relocating populations.
- Estimated net in-migration in 2021 was approximately 2,000. During 2020, net in-migration was at the highest level since 2000, as more urban residents vacated the cities for inland destinations in California, including El Dorado Hills and South Lake Tahoe.
- Traditionally, most net migration into El Dorado County originates from Sacramento County. Placer County is second.
- Santa Clara, Alameda, and Contra Costa Counties are also a principal contributing source of local population growth.



El Dorado County Economic Forecast



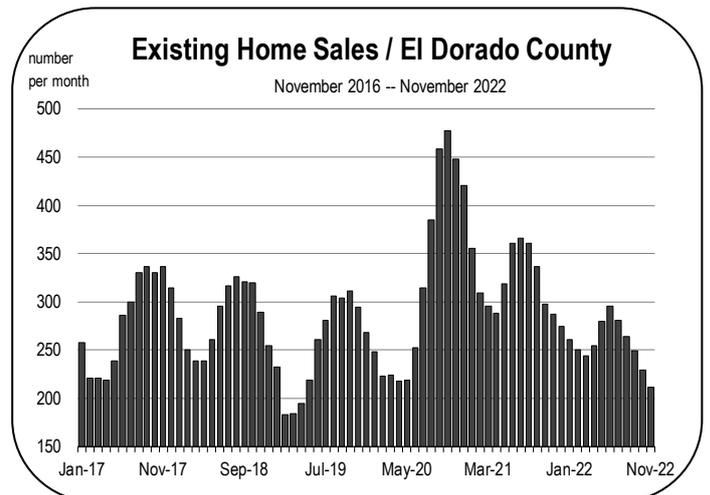
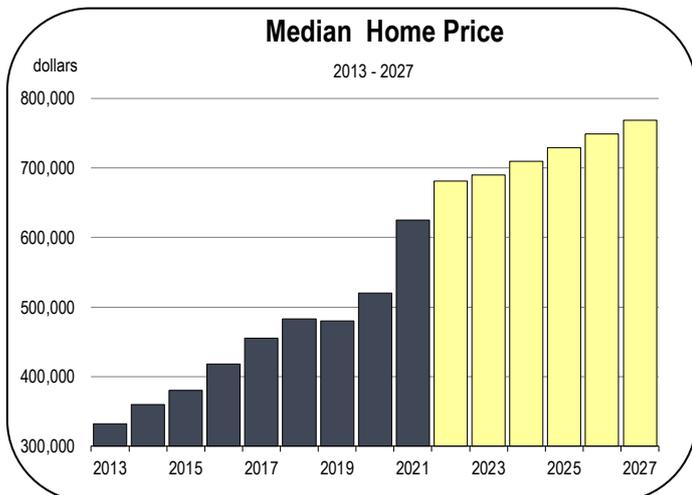
Unemployment and Inflation Rates

- The unemployment rate in El Dorado County averaged 5.7 percent in 2021 and will average 3.0 percent in 2022 and 2.7 percent in 2023.
- An unemployment rate below 5.0 percent signifies a fully employed workforce in El Dorado County.
- Inflation soared in 2021 and is expected to remain elevated during 2022 and the first half of 2023.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher inflation. The most prominent will be:
 - Record spending by consumers and the federal government during 2021 and 2022
 - Fractures in the global supply chain that raise the cost of production for many businesses
 - Sharp increases in the cost of housing and energy
 - Labor market recruitment challenges that force companies to raise wages

- Combined, these factors have pushed inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate after 2022 as supply chains and the labor force are restored, eventually falling to below 3 percent again by 2024.

Home Prices and New Housing Production

- The median home price in El Dorado County soared 20 percent in 2021 to \$626,000. Through the first 11 months of 2022, the median price reported by the California Association of Realtors is \$679,000. The high watermark during 2022 was in May when the median home sold for \$728,000.
- Existing home sales were prolific over the 2020 and 2021 two-year period, rising to the highest levels since 2004-2005. Sales have since cooled as mortgage rates soared in 2022.



El Dorado County Economic Forecast

- Homes in El Dorado County are more affordable than homes across California, especially Coastal California.
- In El Dorado County, the typical household spends less than 30 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California the typical household spends 35 to 50 percent of income on housing costs.
- Development of homes and commercial structures had been relatively austere in El Dorado County since the Great Recession but development pressures have been building since 2015.
- El Dorado County has 5 proposed specific plans under review. Altogether, these projects would add over 9,000 more housing units to the county's total housing stock. They are described below.

Central El Dorado Hills

- The proposed project consists of 1,028 residential units, 50,000 square feet of commercial space and parks.
- In April 2022 the El Dorado County Planning Commission rejected the El Dorado Hills Specific Plans' EIR. The project will now move to the Board of Supervisors for consideration. The project may still be approved despite the Planning Commission's recommended rejection.

Lime Rock Valley

- 740-acre development south of Highway 50.
- The proposed land use includes 800 residential units, 314 acres of open space, and 14 acres of park land.

Village of Marble Valley

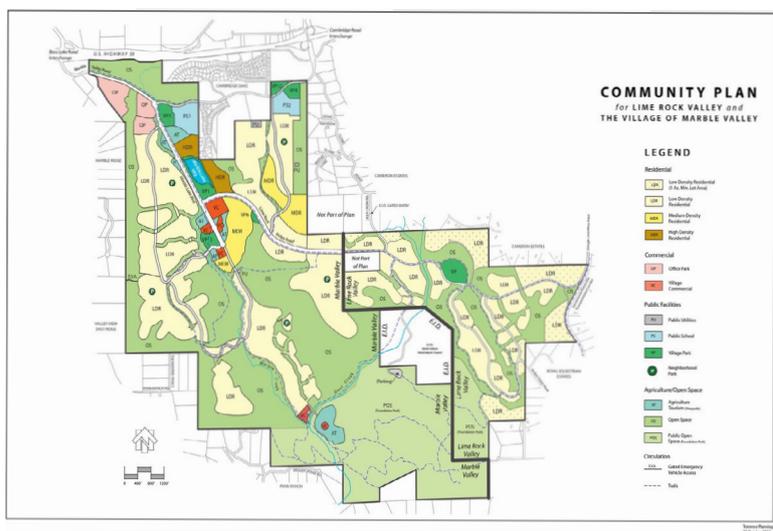
- Proposed development of 2,342 acres of land between El Dorado Hills and Cameron Park.
- 3,236 units and 475,000 square feet of commercial use.
- If approved the specific plan would take 20 to 30 years to complete.

Carson Creek and Creekside

- These projects would introduce 1,925 and approximately 800 units into the El Dorado County area.
- Both projects are in their first stages of planning with community involvement.

Sugar Pine Village

- The City of South Lake Tahoe has approved the building of this project. Sugar Pine Village is a 248-unit mixed-use affordable community.
- This project is the result of an executive order from Governor Gavin Newsom. It is located on state-owned surplus land. The state will retain ownership of the land.
- Construction commenced in October 2022.



Village of Marble Valley Plan

El Dorado County Economic Forecast

Economic Indicators

2015-2021 History, 2022-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	181,009	71.9	368	574	223	\$11.1	\$1.4	\$2.1	\$522	\$73,028	5.7	60.4	1.4
2016	181,855	72.2	845	799	230	\$11.7	\$1.5	\$2.2	\$722	\$75,041	5.1	65.9	2.3
2017	183,838	72.9	1,917	819	229	\$12.2	\$1.6	\$2.3	\$778	\$75,107	4.4	68.8	3.0
2018	186,292	74.5	2,428	593	233	\$12.8	\$1.7	\$2.4	\$617	\$75,104	3.7	62.5	3.7
2019	187,190	74.9	842	665	238	\$13.5	\$1.8	\$2.6	\$739	\$76,374	3.6	64.5	2.9
2020	190,400	75.4	3,360	654	237	\$14.0	\$2.0	\$2.8	\$820	\$76,693	8.6	75.2	1.8
2021	191,992	76.6	1,975	653	240	\$14.3	\$2.2	\$3.1	\$834	\$74,563	5.7	75.7	4.2
2022	193,536	76.9	1,657	660	242	\$16.0	\$2.5	\$3.6	\$864	\$77,238	2.8	79.8	7.3
2023	195,332	77.2	1,932	636	244	\$17.0	\$2.6	\$3.7	\$860	\$78,348	2.7	83.2	3.5
2024	196,815	77.6	1,646	695	246	\$17.7	\$2.6	\$3.8	\$855	\$79,256	3.1	83.8	2.3
2025	198,373	78.1	1,748	756	248	\$18.4	\$2.7	\$3.8	\$856	\$79,693	3.2	84.5	2.3
2026	199,861	78.6	1,703	744	249	\$19.1	\$2.7	\$3.9	\$864	\$80,212	3.2	84.5	2.3
2027	201,270	79.1	1,653	771	251	\$19.8	\$2.7	\$3.9	\$873	\$80,954	3.3	84.5	2.2
2028	202,657	79.7	1,660	779	253	\$20.5	\$2.8	\$3.9	\$880	\$81,614	3.3	84.5	2.2
2029	204,021	80.3	1,664	766	255	\$21.3	\$2.8	\$4.0	\$887	\$82,084	3.3	84.6	2.3
2030	205,454	80.9	1,769	808	257	\$22.0	\$2.9	\$4.2	\$893	\$82,685	3.3	84.7	2.2
2031	206,805	81.5	1,750	804	259	\$22.8	\$3.0	\$4.2	\$901	\$83,187	3.3	84.8	2.1
2032	208,218	82.2	1,872	796	261	\$23.5	\$3.1	\$4.3	\$907	\$83,427	3.3	84.8	2.3
2033	209,563	82.8	1,866	788	262	\$24.3	\$3.1	\$4.4	\$916	\$84,083	3.3	84.8	1.9
2034	210,908	83.5	1,926	782	264	\$25.2	\$3.2	\$4.5	\$924	\$84,578	3.3	84.9	2.1
2035	212,124	84.2	1,858	771	266	\$26.0	\$3.3	\$4.7	\$932	\$85,087	3.3	84.9	2.2
2036	213,286	84.8	1,856	756	267	\$26.9	\$3.4	\$4.8	\$937	\$85,286	3.3	84.9	2.6
2037	214,396	85.5	1,856	742	269	\$27.8	\$3.5	\$5.0	\$941	\$85,464	3.3	84.9	2.7
2038	215,386	86.1	1,793	727	271	\$28.8	\$3.6	\$5.1	\$946	\$85,868	3.3	85.0	2.5
2039	216,271	86.8	1,736	722	272	\$29.8	\$3.7	\$5.3	\$950	\$86,168	3.3	85.0	2.7
2040	217,051	87.4	1,693	713	273	\$30.8	\$3.8	\$5.4	\$954	\$86,501	3.3	85.0	2.6
2041	217,795	88.1	1,709	693	275	\$31.8	\$3.9	\$5.5	\$961	\$87,081	3.3	85.1	2.2
2042	218,474	88.7	1,683	685	276	\$32.8	\$4.0	\$5.6	\$968	\$87,724	3.3	85.1	2.1
2043	219,093	89.3	1,666	675	277	\$33.8	\$4.1	\$5.8	\$975	\$88,404	3.3	85.1	2.0
2044	219,684	89.9	1,680	664	278	\$34.8	\$4.1	\$5.9	\$983	\$89,186	3.3	85.1	1.8
2045	220,186	90.5	1,633	652	279	\$35.8	\$4.2	\$6.0	\$990	\$89,873	3.3	85.1	1.9
2046	220,644	91.1	1,626	644	279	\$36.9	\$4.3	\$6.2	\$995	\$90,451	3.3	85.2	2.0
2047	220,978	91.7	1,530	635	280	\$37.9	\$4.4	\$6.3	\$998	\$90,848	3.3	85.2	2.2
2048	221,230	92.3	1,479	628	281	\$39.0	\$4.5	\$6.5	\$1,000	\$91,198	3.3	85.2	2.3
2049	221,404	92.8	1,428	619	281	\$40.0	\$4.6	\$6.6	\$1,005	\$91,786	3.3	85.2	2.0
2050	221,492	93.4	1,374	609	282	\$41.0	\$4.7	\$6.8	\$1,006	\$92,054	3.3	85.3	2.1

Employment Sectors

2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
(thousands of jobs)												
2015	52.5	0.5	3.7	2.6	0.7	6.4	4.2	5.0	0.5	7.5	8.8	10.8
2016	54.2	0.3	4.1	2.6	0.8	6.7	4.1	5.4	0.6	7.8	9.0	10.9
2017	56.7	0.3	4.8	2.6	0.7	6.9	4.3	6.1	0.6	8.0	9.7	10.8
2018	58.6	0.3	6.0	2.5	0.7	7.1	4.2	6.2	0.6	8.5	9.5	10.9
2019	59.1	0.3	6.3	2.5	0.8	7.1	3.5	6.4	0.6	8.8	9.5	11.0
2020	54.7	0.3	5.9	2.5	0.8	7.2	3.5	5.8	0.5	8.4	7.5	10.4
2021	57.0	0.3	5.9	2.6	0.9	7.4	3.6	6.4	0.6	8.5	8.7	10.3
2022	59.3	0.3	6.2	2.7	1.0	7.5	3.6	6.7	0.6	8.9	9.3	10.6
2023	61.5	0.3	6.3	2.7	1.0	7.6	3.6	7.1	0.6	9.4	9.8	10.9
2024	62.3	0.3	6.4	2.7	1.0	7.6	3.6	7.5	0.6	9.6	10.0	11.1
2025	62.8	0.3	6.4	2.7	1.0	7.5	3.6	7.7	0.6	9.8	10.0	11.1
2026	63.1	0.3	6.3	2.6	1.0	7.5	3.6	7.8	0.6	10.0	10.1	11.1
2027	63.4	0.3	6.3	2.6	1.0	7.5	3.6	7.9	0.6	10.1	10.1	11.2
2028	63.8	0.3	6.4	2.6	1.0	7.4	3.5	8.1	0.6	10.2	10.2	11.2
2029	64.2	0.3	6.3	2.6	1.0	7.5	3.5	8.2	0.6	10.3	10.2	11.3
2030	64.6	0.3	6.5	2.6	1.0	7.5	3.5	8.3	0.6	10.5	10.3	11.3
2031	64.9	0.3	6.4	2.6	1.0	7.5	3.5	8.3	0.6	10.6	10.3	11.3
2032	65.2	0.3	6.4	2.6	1.1	7.5	3.5	8.4	0.6	10.7	10.4	11.4
2033	65.5	0.3	6.4	2.6	1.1	7.5	3.5	8.5	0.6	10.8	10.4	11.4
2034	65.7	0.3	6.3	2.6	1.1	7.5	3.5	8.5	0.6	11.0	10.5	11.4
2035	65.9	0.3	6.2	2.6	1.1	7.5	3.4	8.6	0.6	11.1	10.6	11.4
2036	66.1	0.3	6.1	2.6	1.1	7.6	3.4	8.7	0.6	11.2	10.6	11.5
2037	66.3	0.3	6.1	2.6	1.1	7.6	3.4	8.7	0.6	11.3	10.7	11.5
2038	66.6	0.3	6.0	2.6	1.1	7.6	3.4	8.8	0.6	11.4	10.7	11.5
2039	66.8	0.3	6.0	2.6	1.1	7.6	3.4	8.8	0.6	11.5	10.8	11.5
2040	67.1	0.3	6.0	2.6	1.1	7.6	3.4	8.9	0.6	11.6	10.8	11.6
2041	67.3	0.3	5.9	2.6	1.1	7.6	3.4	9.0	0.6	11.7	10.9	11.6
2042	67.5	0.3	5.9	2.6	1.1	7.6	3.4	9.0	0.6	11.8	10.9	11.6
2043	67.7	0.3	5.8	2.6	1.1	7.6	3.4	9.1	0.6	11.9	11.0	11.7
2044	67.9	0.3	5.8	2.6	1.1	7.6	3.4	9.1	0.6	12.0	11.1	11.7
2045	68.1	0.3	5.8	2.6	1.1	7.6	3.4	9.2	0.6	12.1	11.1	11.7
2046	68.3	0.3	5.8	2.6	1.1	7.6	3.4	9.2	0.6	12.2	11.2	11.7
2047	68.5	0.3	5.7	2.6	1.1	7.6	3.3	9.3	0.6	12.3	11.2	11.8
2048	68.7	0.3	5.7	2.6	1.1	7.6	3.3	9.3	0.6	12.4	11.3	11.8
2049	68.9	0.3	5.7	2.6	1.1	7.6	3.3	9.3	0.6	12.4	11.3	11.8
2050	69.1	0.3	5.6	2.6	1.1	7.6	3.3	9.4	0.6	12.5	11.4	11.8

El Dorado County Economic Forecast

Socioeconomic Indicators

